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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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In the Matter of	)	
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Policy and Rules Concerning the Interstate, Interexchange Marketplace	)	CC Docket No. 96-61
	)	
Implementation of Section 254(g) of the Communications Act of 1934, as amended	)	

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AT&T's Opposition to American Samoa's Rate Integration Plan

Pursuant to the Common Carrier Bureau's Order (DA 97-1744), AT&T Corp. ("AT&T") hereby opposes the rate integration plan filed by the Government of American Samoa on October 1, 1997.

Unlike every other territory covered by the rate integration requirements of Section 254(g) of the Telecommunications Act of 1996, American Samoa seeks to require carriers to implement rate integration without participating in the North American Numbering Plan ("NANP"). As shown below, the integration American Samoa proposes would be unwieldy and expensive, and should not be adopted.

American Samoa's proposal[1] attempts to justify its position that it need not participate in the NANP by citing

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1 The statement in the cover letter accompanying American Samoa's plan that the proposed plan was developed "in consultation with" the major US carriers is misleading. Although representatives of AT&T were afforded the opportunity to review and comment on a draft of the plan,

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several distinctions between itself and Guam and CNMI, both of which adopted the NANP coincident with the commencement of rate integration. None of these distinctions is material. The mere fact that American Samoa is in the Southern Hemisphere does not prevent it from participating in the NANP if it so desires. The fact that American Samoa is served by satellite facilities has nothing to do with whether it will or should adopt the same dialing protocol that is used by every other state and domestic territory that participates in rate integration. And the fact that American Samoa is closer to the mainland than either Guam or CNMI is simply irrelevant. Thus, these differences do not warrant allowing American Samoa to be the only participant in the domestic rate integration scheme that uses international dialing protocols.

American Samoa also argues that the costs of converting to the NANP, which it claims are about $3.5 million, would be excessive. However, it provides no explanation of how it

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AT&T's comments were that implementation of the NANP in American Samoa is absolutely critical to integrating the rate levels and structures for AT&T's services to American Samoa into AT&T's domestic rate methodologies. This position is fully consistent with AT&T's previous filings with respect to rate integration for other Pacific Islands. See, e.g., letter from E. E. Estey, AT&T, to Regina M. Keeney, CC Docket No. 96-61, dated June 2, 1997 (submitting AT&T's final rate integration plan for Guam and CNMI).

arrived at that figure, or why, even at that level, such an investment would be imprudent, given the advantages that would result from American Samoans' ability to dial domestic points without using the more cumbersome international dialing protocols. In this regard, American Samoa does not provide any basis to distinguish itself from the other Pacific Islands which have already joined the NANP.

Nor does American Samoa's proposal take into account the fact that the costs to integrate this single non-NANP location into IXCs' domestic rate schedules would be substantial. AT&T alone has already spent well over $5 million to integrate Guam and CNMI into its domestic rate structures and its highly integrated, interdependent administrative, maintenance, routing and billing systems. If AT&T were required to integrate its rates for American Samoa without NANP conversion, in addition to preventing mainland carriers from using the developments already created to integrate Guam and CMNI, AT&T would have to spend approximately 3 million additional dollars, without any assurance the exception treatments that would be required to handle the extremely small volumes of traffic between the mainland and American Samoa would provide the high levels of reliability demanded by AT&T customers. This amount is disproportionate to AT&T's expected annual revenues of well under $1 million for all traffic with American Samoa at fully integrated rates.

Contrary to American Samoa's assumption, rate integration for American Samoa in the absence of its participation in the NANP requires far more than a simple modification of a single, sophisticated billing system.[2] In addition to operating its own complex business and consumer billing systems, AT&T relies in many cases on billing services provided by local exchange companies. Thus, in order to achieve rate integration, these carriers' billing systems would (assuming it were even possible) also have to be modified to handle internationally dialed calls to American Samoa as exception traffic.

AT&T would further be required to invest additional capital and develop exception treatments in all of its provisioning, administrative and automated maintenance

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[2] American Samoa's assumption that because carriers can apply simple, country-specific international rates to Canada and Caribbean Nations served by the NANP they should be able to accomplish the opposite (i.e., that carriers can apply their complex domestic rating plans to traffic routed through international dialing protocols) is thus an exercise in false reverse logic. See also letter from Donald J. Elardo, MCI, to William F. Caton, dated July 15, 1997, CC Docket No. 96-61 (American Samoa's decision not to participate in the NANP means that "MCI and other carriers are faced with a need to implement substantial modifications to their internal systems and to operate thereafter at considerable business risk in order to accommodate rate integration for American Samoa").

systems to handle an extremely small traffic stream, creating a hybrid international/domestic system unlike any that exists today. AT&T anticipates that it would have to create manual, workaround processes for these exceptions, particularly in the areas of network and service provisioning, maintenance and network management. For example, specially designed pretranslators would have to be deployed in over 140 4ESS switching machines in the AT&T network to enable it to handle and bill calls dialed with the American Samoa international dialing prefix as domestic calls. Moreover, AT&T customers traveling in American Samoa would be unable to complete credit card or operator-assisted calls using 1-800 CALL ATT without modifications to AT&T's 5ESS Operator Service switches, which are nationally deployed.

In addition to the added expense, AT&T expects that these burdensome exception procedures could produce less than satisfactory performance for calls to American Samoa. Indeed, it is not clear at this point, given the general nature of American Samoa's demand to be treated as a domestic location within the context of AT&T's international systems, whether even marginally acceptable alternatives to today's maintenance and provisioning processes could be developed to track the performance of these unique requirements.

Finally, contrary American Samoa's claim, there is no way that domestic 800/888 calls to all of AT&T's toll-free service subscribers could be successfully routed and billed without extensive changes in current industry routing procedures, given the introduction of 800/888 number portability and other characteristics of today's sophisticated toll-free service offerings.[3] In sum, even if NANP conversion in American Samoa cost about $3.5 million,[4] requiring AT&T and other IXCs to implement full rate integration without such conversion would result in substantially higher overall costs to the industry for a patchwork system that would be applicable only to American Samoa.[5]

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[3] The local carrier on American Samoa must, for example, have the capability to identify the IXC providing a particular toll-free service and must, therefore, invest in gaining access to the national SMS database which contains such routing information.

[4] AT&T notes that the Government of American Samoa receives significant support from the Department of the Interior. AT&T suggests that American Samoa may use some of those funds to implement the required changes to support the adoption of federally-mandated rate integration requirement, or to seek an additional one-time appropriation to improve telephone service for the area, if American Samoa is unable to locate the necessary funds from other sources. In such case, AT&T would be prepared to work closely with the American Samoa Telephone Authority to insure its successful transition to the NANP.

[5] If the Commission were to permit American Samoa to avoid participating in the NANP, the only action AT&T could practically take is to modify the rates in its existing

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Conclusion

For the reasons set forth above, American Samoa's rate integration proposal should be denied until it is able to participate in the North American Numbering Plan.

Respectfully submitted,

AT&T CORP.

By: ______________________

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simple international rate schedules for American Samoa with rates that approximate its basic domestic rates. These rates could not, however, be applied to optional calling plans or other more complex rating schedules.

CERTIFICATE OF SERVICE

I, Rena Martens, do hereby certify that on this 16th day of October, 1997, a copy of "AT&T's Opposition to American Samoa's Rate Integration Plan" was served by U.S. first class mail, postage prepaid, to the parties listed below.

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